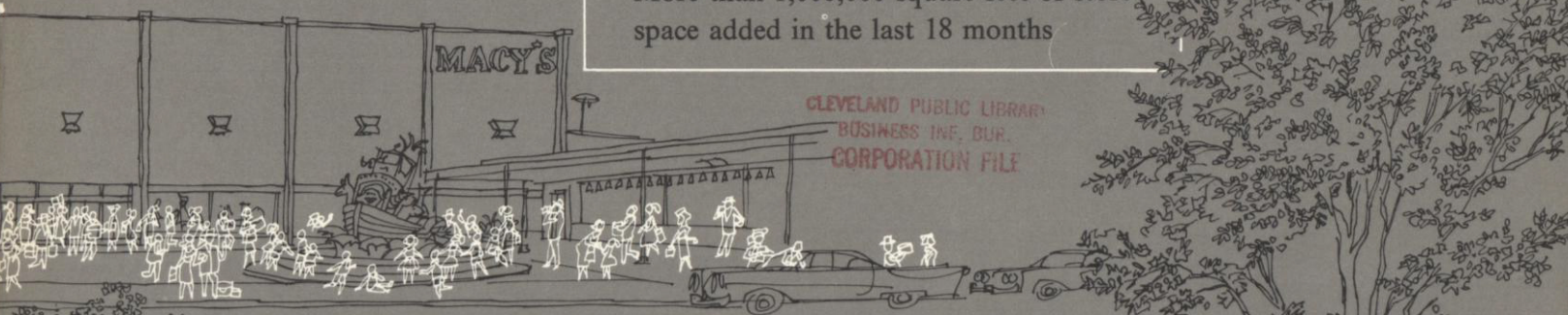


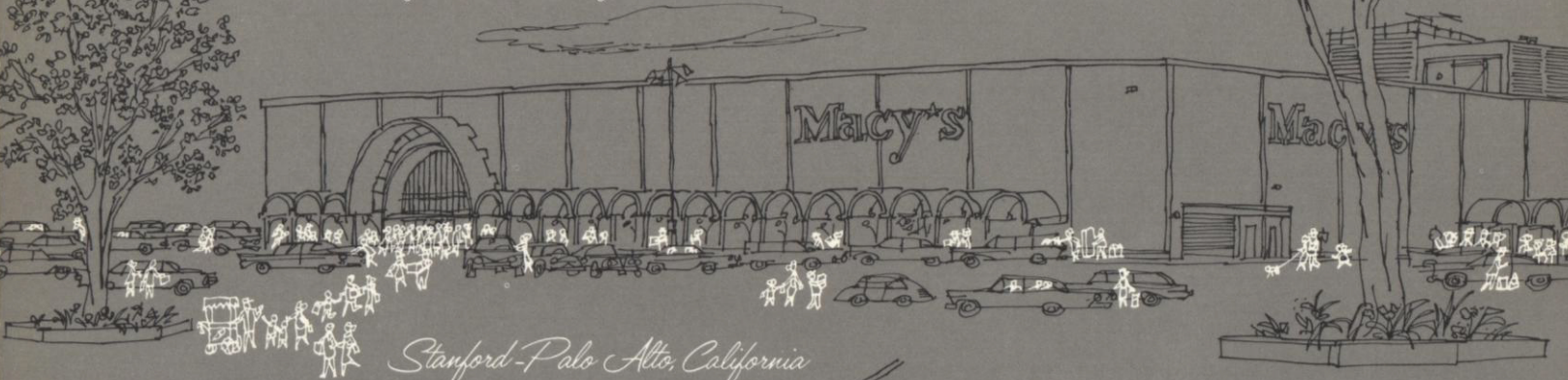


Cherry Hill-Camden, New Jersey

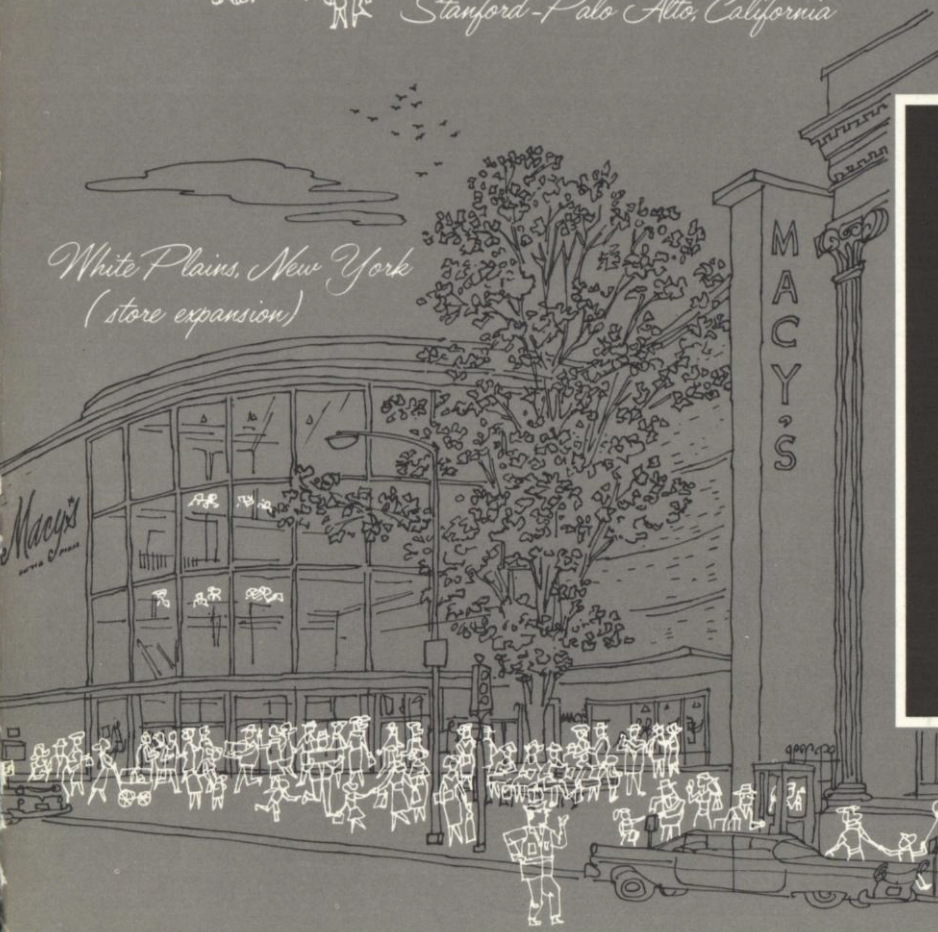
More than 1,000,000 square feet of store space added in the last 18 months



The Landing-Kansas City, Missouri



Stanford-Palo Alto, California



*White Plains, New York
(store expansion)*

R. H. Macy & Co., Inc.



ANNUAL REPORT

FOR THE FISCAL YEAR

ENDED JULY 28

1962

R. H. Macy & Co., Inc.

151 WEST 34TH STREET, NEW YORK 1, N. Y.

A NEW YORK CORPORATION

FOUNDED 1858 — INCORPORATED 1919

DIRECTORS OF THE CORPORATION

ABRAHAM L. BIENSTOCK	ROBERT W. DOWLING	ROBERT MONTGOMERY
WHEELOCK H. BINGHAM	ROBERT A. MAGOWAN	DONALD B. SMILEY
GARDNER COWLES	ARTHUR L. MANCHEE	JACK I. STRAUS
DONALD KIRK DAVID	EDWIN I. MARKS	RALPH I. STRAUS
J. RICHARDSON DILWORTH	ERNEST L. MOLLOY	DAVID L. YUNICH

OFFICERS OF THE CORPORATION

JACK I. STRAUS, *Chairman of the Board*

WHEELOCK H. BINGHAM, *President*

DONALD B. SMILEY, *Vice President and Treasurer*

VICE PRESIDENTS

FREDERICK G. ATKINSON	J. BUCKLEY BRYAN	LEO MARTINUZZI
THOMAS V. BARBER	CHARLES A. CRONHEIM	J. OLIN MURRAY

SECRETARY AND GENERAL ATTORNEY: MARVIN FENSTER

General Auditors: Touche, Ross, Bailey & Smart, 80 Pine Street, New York 5, N. Y.

Transfer Agent and Dividend Disbursing Agent: Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

Registrar for Common Stock: Irving Trust Company, 1 Wall Street, New York 15, N. Y.

Registrar for Preferred Stock: The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York 15, N. Y.

Trustee and Paying Agent for Twenty-Five Year 2 $\frac{7}{8}$ % Sinking Fund Debentures, due 1972:

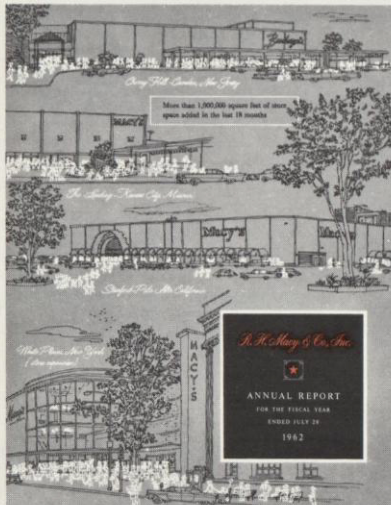
Morgan Guaranty Trust Company of New York, 140 Broadway, New York 15, N. Y.

Trustee, Paying Agent, and Conversion Agent for 5% Convertible Subordinated Debentures, due 1977:

First National City Trust Company, 55 Wall Street, New York 5, N. Y.

CONTENTS

FINANCIAL HIGHLIGHTS	2
LETTER TO STOCKHOLDERS	3
FINANCIAL AND OPERATING REVIEW	5
FINANCIAL STATEMENTS	12
MACY CREDIT CORP. STATEMENT	17
AUDITORS' REPORT	18
RETIREMENT SYSTEM	19
TEN-YEAR REVIEW	20
OPERATING DIVISIONS AND THEIR DIRECTORS	22
MACY'S TODAY — A SPECIAL REPORT	24



More than 1,000,000 square feet of store space were added by the Corporation in the last 18 months. The stores depicted on the cover are:

	<u>Square Feet Added</u>
Macy's Roosevelt Field, Long Island, New York	
Now 452,000 square feet, having been expanded by	114,000
Macy's White Plains, New York	
Now 348,000 square feet, having been expanded by	136,000
Macy's Huntington, Long Island, New York	230,000
Bamberger's Cherry Hill, near Camden, New Jersey	215,000
Macy's Stanford, Palo Alto, California	150,000
Lasalle's Westgate, West Toledo, Ohio	146,000
Macy's at The Landing, Kansas City, Missouri	80,000

R. H. Macy & Co., Inc.

AND CONSOLIDATED SUBSIDIARIES

FINANCIAL HIGHLIGHTS

	Year (52 weeks) ended	
	July 28, 1962	July 29, 1961
OPERATING RESULTS		
Net retail sales	\$541,512,000	\$520,115,000
Earnings before Federal income taxes	20,073,000	19,191,000
Federal income taxes	10,280,000	9,850,000
Net earnings	9,793,000	9,341,000
DISTRIBUTION OF EARNINGS		
Cash dividends declared on —		
Preferred stock	\$ 1,078,000	\$ 1,078,000
Common stock	4,400,000	3,893,000
Earnings reinvested in the business	4,315,000	4,370,000
PER SHARE OF COMMON STOCK¹		
Taxes — Federal, state, and local	\$ 10.52	\$ 10.74
Net earnings after preferred dividends	4.26	4.25
Dividends	2.15	2.00
Net worth — book value	50.25	49.20
FINANCIAL POSITION (at end of year)		
Working capital (see page 6)	\$ 73,989,000	\$ 85,271,000 ²
Ratio of current assets to current liabilities	2.3	2.7 ²
Accounts receivable, customers — net	\$ 26,372,000	\$ 37,686,000
Merchandise inventories on Lifo basis	60,682,000	58,482,000
Outstanding merchandise purchase orders	32,261,000	30,347,000
Property and equipment — net	112,035,000	90,530,000
Long-term debt	69,607,000	57,026,000
Investment of stockholders	128,668,000	121,579,000
NUMBER OF STOCKHOLDERS (at end of year)		
Preferred	5,350	5,558
Common	18,841	19,605

(1) The calculation of per share amounts is based on the average number of shares outstanding during the respective years — 2,043,792 and 1,943,529 shares of common stock.

(2) After giving effect to the reclassification mentioned on the Consolidated Statement of Financial Condition.

R. H. Macy & Co., Inc.



TO THE STOCKHOLDERS

SALES OF R. H. Macy & Co., Inc., increased for the 10th consecutive year, totaling a record high of \$541,512,000, or 4% more than the previous year's sales of \$520,115,000.

Net earnings after taxes were \$9,793,000, the highest ever attained by Macy's. This compares with net earnings last year of \$9,341,000.

Earnings per share of common stock after preferred dividends amounted to \$4.26 on the average of 2,043,792 shares outstanding, compared with \$4.25 on 1,943,529 average shares a year ago.

By action of the Board of Directors in October, 1961, quarterly dividends on common stock were increased from \$0.50 to \$0.55 per share.

Toward the close of the fiscal year there were two labor disputes which substantially affected sales and earnings of the Macy's New York Division and, to a lesser extent, the Bamberger's New Jersey Division. The first was a seven-week strike by the Teamsters against United Parcel Service in the New York and New Jersey areas that sharply curtailed deliveries of merchandise to branch stores and to customers of all stores in those areas. A few days before the United Parcel strike was settled, the same Teamsters local struck the Macy's New York warehouse in Long Island City. This second dispute, which did not involve stores other than Macy's, lasted

five and a half weeks and seriously hampered the receipt, handling, and delivery of merchandise in the New York Division.

The growth in the Corporation's sales and earnings over the past decade has been due very substantially to an expansion program capitalizing particularly on the opportunities of suburban areas. During that time we have grown from an organization of 20 stores to one of 41 stores.

During the fiscal year under review we opened two new stores — at Palo Alto, California (Stanford Shopping Center), and West Toledo, Ohio (Westgate). In September, 1962, we opened two more new stores — at Huntington, Long Island, New York (Walt Whitman Shopping Center), and near Camden, New Jersey (Cherry Hill Shopping Center). In addition, two of the stores in the New York Division — Roosevelt Field and White Plains — have been enlarged substantially.

Effective October 1, 1962, David L. Yunich was named President of the Macy's New York Division. Mr. Yunich had been President of the Bamberger's New Jersey Division since 1955. He succeeded Arthur L. Manchee, who was named Chairman of the Board and Chief Executive Officer of Bamberger's New Jersey. Herbert L. Seegal, who had been a Senior Vice President for Merchandising at Macy's New York since

1953, was appointed President of Bamberger's New Jersey.

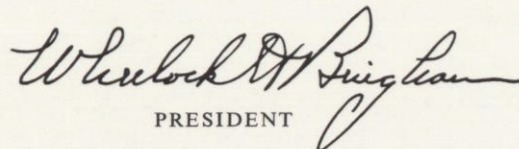
The period immediately ahead seems to have many uncertainties. Some economists believe that there will be at least a leveling off of the present trend of gross national product or even some falling off from the new high to be achieved this fall. Even if this should happen we could expect Macy's to fare somewhat better than the average for the department-store industry. This is based upon improved profitability in our present operations, the addition of the new units described above, a store in suburban Columbus, Georgia, expected to open about October 15, 1962, and another store opening in the Kansas City area in the spring of 1963.

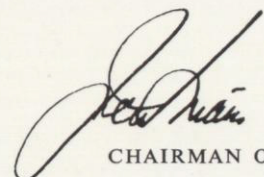
Your attention is called to a pictorial report — "Macy's Today" — beginning on page 24. It reviews briefly the Corporation's growth over the past decade. It shows how Macy's methods

change to meet changing conditions and indicates some of the reasons for record sales and earnings in the year under review. The basic aim of Macy's is firmly fixed — to serve the vast and growing American middle-income market well and profitably.

A half-billion-dollar business is achieved only by the united efforts of a great many people — among them thousands of loyal and enterprising employees and thousands of skillful and imaginative suppliers. We wish to express our appreciation for the contribution they made to the good results of the past year. We would like also to express our appreciation for the interest and support we have received from our stockholders. Finally, we are grateful to the millions of customers across the nation — including hundreds of thousands of newcomers — to all of whom we say, "It's smart to be thrifty. It is our pleasure to serve you."

Respectfully submitted,


PRESIDENT


CHAIRMAN OF THE BOARD

October 11, 1962

ANNUAL MEETING The Annual Meeting of Stockholders of R. H. Macy & Co., Inc., will be held at 10:30 A.M. on Tuesday, November 13, 1962, at the Statler Hilton Hotel, 7th Avenue and West 33rd Street, New York, New York, 18th floor, Penn Top. All stockholders are cordially invited to attend.

FINANCIAL AND OPERATING REVIEW

Sales and Earnings

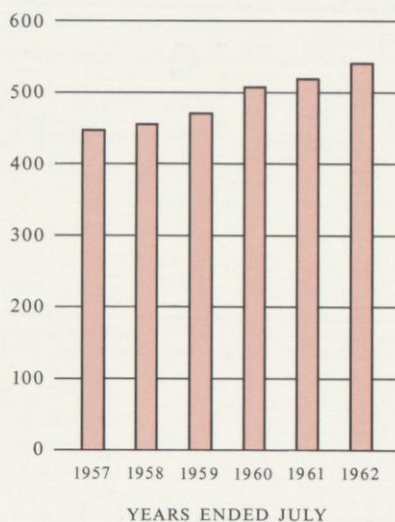
Sales for the fiscal year ended July 28, 1962, were \$541,512,000. This establishes a new high mark for the Corporation's sales volume, which has continued to increase each year for the past 10 years. This figure represents an increase of 4% over the sales of \$520,115,000 reported for the previous fiscal year and 63% over those achieved 10 years ago.

The net earnings for the year were \$9,793,000,

equivalent to \$4.26 per share of common stock after dividends on preferred stock. In the year ended July, 1961, net earnings were \$9,341,000, or \$4.25 per share. The average number of shares outstanding, on which the per share net earnings are based, were 2,043,792 for the year just ended and 1,943,529 in the previous year. The current year's sales and earnings were achieved despite two labor disputes which substantially affected the Macy's New York and Bamberger's New Jersey Divisions.

SALES AGAIN REACHED NEW HIGH

MILLIONS OF DOLLARS



NET EARNINGS

MILLIONS OF DOLLARS



Dividends

The quarterly dividend paid to holders of common stock was increased to \$0.55 a share — an annual rate of \$2.20 — beginning with the dividend paid January 2, 1962. Total dividends paid on common stock during the year were \$2.15 per share, as compared with \$2.00 paid during the previous fiscal year. With the regular dividends of \$4.25 and \$4.00 per share paid on the preferred stock, Series A and Series B, respectively, the total dividends paid during the year amounted to \$5,478,000. In the preceding year total dividends paid were \$4,972,000.

A quarterly dividend of \$0.55 per share, declared on August 28, 1962, was paid to holders of common stock on October 1, 1962. This is the 142nd consecutive quarterly common stock dividend paid since 1927, the first year in which such payments were made.

Working Capital

At July 28, 1962, working capital amounted to \$73,989,000, as compared with \$85,271,000 a year ago. The current ratios — the relation of current assets to current liabilities per the Consolidated Statement of Financial Condition — at the end of this and the previous year were 2.3 and 2.7, respectively.

The principal change in the working capital items was the \$11,314,000 decrease in customers' accounts receivable. A large part of this reduction resulted from an acceleration of payments by customers which can be attributed to improved billing and collection procedures adopted by certain of the operating divisions during the year. Other factors that contributed to the reduction of accounts receivable were the

installation of electronic data-processing equipment at the Macy's New York Division and the sale to the newly organized Macy Credit Corp. of previously unsold customers' deferred payment accounts. Funds derived from the reduction of customers' accounts receivable were used, for the most part, to purchase \$10,000,000 of the capital stock of Macy Credit Corp.

Financing by the Corporation

During the fiscal year mortgage loans were secured by three of the wholly owned real-estate subsidiaries of the Corporation. In December, 1961, Stanshop Properties, which holds title to the leasehold for the Macy's California store in the Stanford Shopping Center at Palo Alto, California, received a 25-year mortgage loan of \$2,300,000, and L&K Properties Corp., which owns the property occupied by Lasalle's Westgate branch in West Toledo, Ohio, secured a 25-year mortgage loan of \$3,060,000. The proceeds from these loans were used to pay off the funds advanced by the Corporation for the completion of these two projects.

In July, 1961, White Plains Properties Corp. obtained from an insurance company a 30-year mortgage loan of \$7,700,000 on the property in White Plains, New York, occupied by the branch store of Macy's New York at the downtown location in that city. This property, including the recently completed second expansion of the store building and auto center, had been previously conveyed by the Corporation in a series of sale and leaseback transactions to the same insurance company. On July 26, 1962, this company sold its entire holdings to White Plains Properties Corp., taking the above mentioned mortgage in payment therefor.

The Corporation sold the fixtures of some of the new branch stores during the year and leased them back under arrangements similar to those made in previous years at other Macy's stores.

With respect to the Corporation's 5% Convertible Subordinated Debentures, a total of \$9,524,100 thereof had been converted into 297,302 shares of common stock by the end of the fiscal year, July 28, 1962. At that date there remained outstanding \$2,757,000 of these debentures for the conversion of which 86,156 shares of common stock were reserved.

Macy Credit Corp.

It has been the practice of the Corporation for several years to sell customers' deferred payment accounts to its principal banks. While this has been a satisfactory arrangement for financing accounts receivable, it has tended to be restrictive on the use of the Corporation's bank lines of credit for other purposes. With the formation during the year of Macy Credit Corp., a wholly owned subsidiary, it is contemplated that lesser proportions of accounts receivable will be sold to banks, thus leaving open larger lines of bank credit for other purposes.

Since the new subsidiary began operations on September 15, 1961, it has purchased a total of \$174,570,000 of customers' deferred payment accounts of Macy's Operating Divisions. At the year-end, July 28, 1962, it held \$86,204,000 of these customers' accounts. Net earnings from inception amounted to \$725,661.

Long-term financing of the new subsidiary was arranged through the sale to the Corporation of \$10,000,000 of capital stock and the sale to the public, in November, 1961, of \$20,000,000 of 4¾% Debentures, due 1981. Supplementing

these funds, Macy Credit Corp. has available to it bank lines of credit, which totaled \$112,415,000 at the end of the fiscal year, and the commercial paper market. Both sources have been used and at July 28, 1962, there were \$44,923,000 of notes payable outstanding. Of this amount, \$10,750,000 had been borrowed from banks.

Growth Program

During the last 12 months the Corporation has opened four new branch stores and has expanded three others. The first of the new branches was a 150,000-square-foot store for the Macy's California Division in the Stanford Shopping Center at Palo Alto, California, which was opened on October 12, 1961. On February 19, 1962, the Lasalle & Koch Division opened a branch store of 146,000 square feet in the Westgate area of West Toledo, Ohio. Macy's New York opened its new 230,000-square-foot store on September 18, 1962, in the Walt Whitman Center, a large regional shopping center near Huntington, Long Island, New York. Then on September 26 a store of 215,000 square feet was opened by the Bamberger's New Jersey Division in the Cherry Hill Shopping Center near Camden, New Jersey.

The three previously existing branch stores expanded during this period were those at White Plains, New York — from 212,000 to 348,000 square feet; Roosevelt Field, Long Island, New York — from 338,000 to 452,000 square feet; and Eatontown, Monmouth County, New Jersey, where a 26,000-square-foot budget store was opened to supplement the 230,000-square-foot branch store in the Monmouth Shopping Center at that location. The first two of these expanded units are operated by Macy's

New York and the third by Bamberger's New Jersey. In June of this year Bamberger's also opened a combined furniture-clearance store and auto center of 40,000 square feet on Route 22 in Springfield, Union County, New Jersey.

In addition to the stores enlarged or completed during this past year, the Corporation also has in progress additional units for each of its six operating divisions either under construction or in the advanced planning stage. For Macy's New York there are the 320,000-square-foot branch store being erected in South Shore Mall, a new regional shopping center under construction near Bay Shore in Suffolk County, Long Island, New York, and a 285,000-square-foot unit to be included in Westchester Plaza, a unique regional shopping center being developed in downtown New Rochelle, New York. These two stores are scheduled to be completed during the fall of 1963 and 1964, respectively. The New York Division is also expanding, from 124,000 to 197,000 square feet, its store in Parkchester, New York, the Corporation's first full department-store type branch unit, opened in 1941.

The Bamberger's New Jersey Division has plans under way for a 240,000-square-foot branch to be included as the major department store in a regional shopping center of 750,000 square feet to be constructed on a 60-acre tract owned by the Corporation in Livingston, Essex County, New Jersey. The Corporation has also acquired a 100-acre tract in Wayne Township, Passaic County, New Jersey. Plans are in process for the development on this site of a 1,000,000-square-foot regional shopping center, to be known as the Willowbrook Shopping Center, which will include two major department stores, the principal one to be a Bamberger's store of

285,000 square feet. The Bamberger's Division also has advanced plans for additional branches at other selected points within its area.

During the fall of 1963 Macy's California expects to open a new store of 330,000 square feet in the redevelopment project under construction in downtown Sacramento, California. In addition, there will be customer parking space in the basement of this store building. In the advanced planning stage are two other new branch stores — one of 240,000 square feet in the Westlake Shopping Center in Daly City, California, and the other a 150,000-square-foot unit in Stockton, California. This Division also has made preliminary plans to expand two of its existing branch stores.

About the 15th of this month the Davison-Paxon Division plans to open a 37,000-square-foot apparel store in the Cross Country Plaza Shopping Center, located in suburban Columbus, Georgia. This Division has also acquired a site in DeKalb County, metropolitan Atlanta, Georgia, on which it plans to erect a 130,000-square-foot branch store with an anticipated opening date in the fall of 1964.

Macy's Missouri-Kansas plans to open in the spring of 1963 a 78,000-square-foot branch store in the Antioch Shopping Center, located just north of Kansas City, Missouri. This Division also has plans in progress for several other branch stores, one of which is the previously announced store of 130,000 square feet to be opened in the fall of 1964 in Topeka, Kansas.

The Corporation is expanding its activities in the auto accessories and installation field. Since March 1 of this year, a new or expanded auto center has been opened at each of the following locations: Plainfield, New Jersey; West Toledo,

Ohio (Westgate); on Route 22 in Springfield, New Jersey; in the Green Acres Shopping Center in Valley Stream, Long Island, New York; Paramus, New Jersey; and White Plains, New York. Construction or planning work has been started on the building or expansion of free-standing auto centers at Roosevelt Field, New Rochelle, and Bay Shore, New York; Newark, Morristown, and Menlo Park, New Jersey; Mission, Kansas; The Landing in Kansas City, Missouri; San Jose (Valley Fair) and San Leandro (Bay Fair), California; and in other locations not yet announced.

This extensive expansion program of the Corporation, however, has not diverted our attention from the importance, and continued need for improvement, of our older stores, particularly the large downtown stores. There is a long-range program under way to modernize and improve these facilities in all ways discernible. Included in this program is air-conditioning work at the Herald Square, Newark, and San Francisco stores; the modernization of the elevators and escalators in our older stores; and the complete renovation of some of the older branch stores. Besides making the stores more attractive and easier places in which to shop, other expenditures are being made to improve the services rendered for our customers. This work includes the acquisition of better receiving, warehousing, and shipping equipment; the improvement of facilities in the domestic and foreign buying offices; and the installation of electronic data-processing equipment where a proven need exists.

This program takes increasing amounts of funds annually, but the expenditures are important if the Corporation is to improve or even

maintain its position in the highly competitive department-store field.

Personnel

A department store is a miniature city within a city and offers careers in comparable variety. Macy's work force comprises some 28,000 people, representing a great variety of skills. The largest single group is, of course, the sales force, on which the entire enterprise depends. Among the buyers and merchants are experts in every imaginable line of consumer goods — biscuits to bobby pins, lingerie to lacquer work, pots and pans and parakeets, furniture, fishing tackle, high fashion, diamonds and diapers. Back of the scenes are thousands of other people in a wide range of occupations — carpenters, painters, engineers, and other craftsmen who prepare the stage and maintain the stores; accounting, auditing, secretarial, statistical, and computer experts who record operations and maintain customer accounts and other vital records; artists in display and advertising, copywriters, stockmen and warehousemen, packers, cashiers, detectives and guards, nurses and telephone operators.

The basic work force is singularly stable and some 2,000 employees have 25 years or more of service with the Corporation. Surges in customer buying, notably during the Christmas and Easter seasons, are met by employment of temporary extra workers, who at times number as many as 10,000. Many are housewives and others who prefer short-term employment and who come back year after year to earn extra money and to renew their Macy's experience.

Approximately 70% of Macy's personnel are women, and few industries afford as fine an

opportunity for women to achieve positions of managerial rank.

As a matter of policy, wage and salary levels are reviewed at regular intervals to make sure that Macy's pay scales compare favorably with prevailing rates for similar work in the communities in which the Corporation's stores are located. Individual growth is encouraged and excellence rewarded through various forms of incentive compensation.

The Macy's Training Squad program continues to recruit outstanding young men and women of exceptional aptitude. Four decades of such recruitment and training have given Macy's many of its most capable executives.

The Corporation provides liberal employment benefits in the form of paid vacations, holidays, group life and health insurance, sick leave, and retirement, as well as safe and healthy working conditions.

Relations with labor unions were harmonious except for one work-stoppage in the Long Island City warehouse this summer. This dispute lasted nearly six weeks, but was settled satisfactorily.

Macy's management fully realizes that the success of its present operations, as well as its prospects for the future, depends on the skill, care, and effort of Macy's employees. Fair treatment, opportunity for advancement, and reward for individual excellence are basic elements in Macy's personnel policy.

Retirement System

During the year ended July 31, 1962, the Corporation contributed \$1,978,000 to the Retirement System for Employees. At the year-end the net assets of the Pension and Profit Sharing

Plans aggregated \$40,577,000. This represented a decrease of \$628,000 from the total net assets in the System a year ago, at July 31, 1961. The decrease includes adjustments to the book values of securities owned by the Profit Sharing Plan to reduce them to current market prices, as required by the Plan. The decrease was a result of the substantial decline in market prices of listed stocks during the spring and early summer months of this year.

There are now a total of 14,609 employees covered by the Retirement System. Of this number, 13,881 are members of the Pension Plan and 10,918 participate in the Profit Sharing Plan. A total of 2,601 employees have been retired under the provisions of the System since it was adopted in 1944.

Stock Option Plan for Key Executives

In 1954 an Employee Stock Option Plan was adopted, with the approval of the stockholders, to provide an incentive and to encourage stock ownership by key executive employees and to encourage them to remain in the employ of the Corporation. Pursuant to the Plan a total of 150,000 shares of common stock are authorized to be issued. Each option is granted at 100% of the mean between the highest and lowest quoted selling prices of the common stock on the New York Stock Exchange on the date of grant. Optioned shares become available for purchase in nine annual installments, commencing 18 months from the date of grant, and each option expires 10 years after that date.

At the beginning of the fiscal year just ended there were 99,230 shares of common stock subject to outstanding options. During the year

options were granted for 13,000 shares, options for 1,800 shares were canceled, and options were exercised to the extent of 20,450 shares.

Accordingly, at July 28, 1962, a total of 61 executives held options under this Plan aggregating 89,980 shares of common stock. These options were exercisable at that date to the extent of 23,480 shares.

The remaining numbers of unoptioned shares available at the beginning and at the close of the year were 13,850 and 2,650, respectively.

Administrative Changes

In addition to those mentioned in the Letter to Stockholders on page 3, the following changes have been made.

Macy's New York — A. Alfred Landisi, formerly a Senior Vice President for Merchandising of Bamberger's New Jersey, has been named a Senior Vice President for Merchandising of Macy's New York.

Bamberger's New Jersey — Edward S. Finkelstein, formerly Merchandise Administrator in Macy's New York, has been transferred to Bamberger's New Jersey and promoted to Senior Vice President for Merchandising.

Macy's California — Ross F. Anderson has been appointed Vice President of Macy's California and Manager of the San Francisco store of that Division. He was formerly Vice President and General Merchandise Manager of the Davison-Paxon Company.

R. H. Macy & Co., Inc.

CONSOLIDATED STATEMENT

ASSETS

	July 28, 1962	July 29, 1961
CURRENT ASSETS:		
Cash	\$ 16,650,521	\$ 15,723,323
Marketable securities, at amortized cost (approximate market)	15,474,622	12,160,178
Customers' accounts receivable, per accompanying statement	26,371,813	37,685,861
Other receivables	5,633,306	6,573,741
Merchandise inventories — at Lifo cost determined by the retail inventory method, which is less than market (Note 1)	60,682,494	58,482,272
Supplies and prepaid expenses	6,909,698	4,859,437
Total current assets	<u>\$131,722,454</u>	<u>\$135,484,812</u>
OTHER ASSETS:		
Overpayment of Federal income taxes claimed for the five years ended January, 1947, based on the Lifo inventory method, including \$2,102,699 interest accrued to 1953 (Note 1)	9,018,699	9,018,699
Investment in Macy Credit Corp., at equity; see accompanying statement	10,725,661	—
Miscellaneous, including investments in and advances to affiliated shopping centers, at cost	9,992,845	10,668,304
PROPERTY AND EQUIPMENT, per accompanying statement	112,035,409	90,529,828
GOODWILL AND OTHER INTANGIBLE ASSETS — at cost, less accumulated amortization of \$1,592,864 and \$1,506,821	1,162,694	1,248,737
	<u><u>\$274,657,762</u></u>	<u><u>\$246,950,380</u></u>

See notes to financial statements.

AND CONSOLIDATED SUBSIDIARIES

OF FINANCIAL CONDITION

LIABILITIES		July 28, 1962	July 29, 1961
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		\$ 50,544,294	\$ 44,104,410
Federal income taxes		5,360,427	4,435,339
Long-term debt due within one year		1,828,608	1,674,159
Total current liabilities		<u>\$ 57,733,329</u>	<u>\$ 50,213,908</u>
LONG-TERM DEBT, per accompanying statement		<u>\$ 69,606,601</u>	<u>\$ 57,026,192</u>
DEFERRED FEDERAL INCOME TAXES (principally deferred payment sales and accelerated depreciation)		<u>\$ 18,650,000</u>	<u>\$ 18,131,000*</u>
INVESTMENT OF STOCKHOLDERS, represented by:			
Cumulative preferred stock, 500,000 shares authorized; par value \$100 each —			
4¼% Series A — 165,600 shares issued; 5,990 in treasury; 159,610 out- standing, callable at \$107.50 each		\$ 15,961,000	\$ 15,961,000
4% Series B — 100,000 shares issued and outstanding (Note 2)		10,000,000	10,000,000
Common stock, \$1 par value, assigned value \$15 per share —			
4,000,000 shares authorized; 2,077,965 and 1,986,035 issued; 3,939 in treasury; 2,074,026 and 1,982,096 outstanding (Notes 3 and 4)		31,110,390	29,731,440
Additional paid-in capital; 1962 increase comprises \$296,563 received over assigned value of common stock issued under options and \$1,098,713 credit from conversions of 5% debentures into common stock		16,207,520	14,812,244
Earnings reinvested in the business, per accompanying statement; at July 28, 1962, \$43,445,356 is not distributable to common stockholders under terms of long-term debt agreements		55,388,922	51,074,596
Total investment of stockholders		<u>\$128,667,832</u>	<u>\$121,579,280</u>
		<u>\$274,657,762</u>	<u>\$246,950,380</u>

*Includes deferred taxes on deferred payment sales reclassified from current liabilities.

R. H. Macy & Co., Inc.

AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENT OF EARNINGS AND EARNINGS REINVESTED IN THE BUSINESS

	Year (52 weeks) ended	
	July 28, 1962	July 29, 1961
NET RETAIL SALES (including licensed departments)	\$541,511,791	\$520,115,475
COSTS AND EXPENSES OF RETAIL OPERATIONS:		
Cost of goods sold and expenses, exclusive of items listed below	\$486,111,490	\$465,782,528
Taxes, except Federal income taxes	11,228,987	11,021,612
Rent expense	11,278,673	10,934,270
Depreciation and amortization	4,707,471	4,336,409
Maintenance and repairs	3,581,341	3,665,646
	<u>\$516,907,962</u>	<u>\$495,740,465</u>
Income from retail operations	\$ 24,603,829	\$ 24,375,010
INCOME FROM NON-TRADING SOURCES	935,324	911,711
	<u>\$ 25,539,153</u>	<u>\$ 25,286,721</u>
INTEREST EXPENSE, less interest income of \$577,982 and \$538,450 and, in 1962, less earnings of Macy Credit Corp.	5,466,609	6,095,798
Earnings before Federal income taxes	<u>\$ 20,072,544</u>	<u>\$ 19,190,923</u>
FEDERAL INCOME TAXES (including provision for deferred taxes)	10,280,000	9,850,000
NET EARNINGS	<u>\$ 9,792,544</u>	<u>\$ 9,340,923</u>
EARNINGS REINVESTED IN THE BUSINESS at beginning of year	51,074,596	46,705,287
	<u>\$ 60,867,140</u>	<u>\$ 56,046,210</u>
CASH DIVIDENDS DECLARED:		
Cumulative preferred stock, 4¼% Series A — \$4.25 per share	\$ 678,342	\$ 678,342
Cumulative preferred stock, 4% Series B — \$4.00 per share	400,000	400,000
Common stock — \$2.15 and \$2.00 per share	4,399,876	3,893,272
	<u>\$ 5,478,218</u>	<u>\$ 4,971,614</u>
EARNINGS REINVESTED IN THE BUSINESS at end of year	<u>\$ 55,388,922</u>	<u>\$ 51,074,596</u>

See notes to financial statements.

R. H. Macy & Co., Inc.

AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED PROPERTY AND EQUIPMENT

	July 28, 1962		July 29, 1961	
	Cost	Accumulated depreciation and amortization	Cost	Accumulated depreciation and amortization
Land	\$ 18,402,814	\$ —	\$ 14,725,260	\$ —
Buildings and improvements on owned properties	55,192,094	14,007,152	48,942,210	12,480,250
Buildings and improvements on leased properties and leaseholds	33,684,913	15,999,807	27,921,235	15,095,613
Fixtures and equipment	40,414,447	17,802,030	37,280,271	15,901,719
Construction in progress	12,150,130	—	5,138,434	—
	<u>\$159,844,398</u>	<u>\$47,808,989</u>	<u>\$134,007,410</u>	<u>\$43,477,582</u>
Net property and equipment	<u>\$112,035,409</u>		<u>\$90,529,828</u>	

CONSOLIDATED LONG-TERM DEBT

(Amounts due within one year included in current liabilities)

	July 28, 1962	July 29, 1961
Twenty-Five Year 2 $\frac{7}{8}$ % Sinking Fund Debentures, due November 1, 1972; annual sinking fund of \$800,000, less amounts reacquired	\$13,191,000	\$14,000,000
5% Convertible Subordinated Debentures, due February 1, 1977; annual sinking fund of \$720,000 from 1968 (Note 3)	2,757,000	5,047,000
3 $\frac{3}{4}$ % Promissory Notes, \$750,000 due annually and balance January 1, 1973	11,250,000	12,000,000
Mortgage notes of real-estate subsidiaries, approximately \$860,000 due annually for next five years —		
4 $\frac{1}{4}$ % Note, final payment 1978	13,718,301	14,093,991
5 $\frac{1}{4}$ % Note, final payment 1980	3,882,567	3,953,460
4 $\frac{1}{8}$ % Note, final payment 1982	4,806,682	4,925,745
5 $\frac{3}{8}$ % Note, final payment 1986	2,213,877	—
5 $\frac{3}{8}$ % Note, final payment 1987	3,000,048	—
Two Notes, final payment 1992 (\$4,900,000 at 4 $\frac{7}{10}$ % and \$2,800,000 at 5 $\frac{3}{4}$ %)	7,700,000	—
4 $\frac{1}{2}$ % Promissory Note, due October, 1962, for which long-term financing has been negotiated	3,100,000	—
Other long-term debt	3,987,126	3,005,996
Total long-term debt	<u>\$69,606,601</u>	<u>\$57,026,192</u>

See notes to financial statements.

R. H. Macy & Co., Inc.

AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED CUSTOMERS' ACCOUNTS RECEIVABLE

	July 28, 1962	July 29, 1961
Total customers' receivables — principally deferred payment accounts . . .	\$123,060,824	\$127,661,856
Deduct accounts sold (net of Corporation's equity) and unremitted collections thereon to be applied against accounts contracted to be sold	93,901,511	87,206,995
	\$ 29,159,313	\$ 40,454,861
Less estimated uncollectible amounts	2,787,500	2,769,000
Customers' accounts — net	\$ 26,371,813	\$ 37,685,861

NOTES TO FINANCIAL STATEMENTS

(1) Inventories are stated at July 28, 1962, at \$14,145,771 and at July 29, 1961, at \$13,900,391 less than they would have been if the Fifo (first-in, first-out) principle had been applied in determining cost.

A decision was rendered on December 11, 1961, by the Federal District Court, Southern District of New York, disallowing Lifo (last-in, first-out) to the Corporation and three of its subsidiaries for the fiscal years ended January 31, 1943, through January 31, 1947, which the Corporation has appealed. If use of the Lifo method for the years subsequent to fiscal 1942 is not upheld, additional taxes payable would not be material. If Fifo were used by the Corporation for general accounting purposes, it would have no material effect upon the total net assets at July 28, 1962. Earnings for the periods covered by the accompanying financial statements would not be materially affected.

Audits by the Internal Revenue Service of the tax returns for the years through July 31, 1955, have been substantially completed.

It is believed that adequate provision has been made to cover possible additional assessments for all years to date.

(2) The cumulative preferred stock, 4% Series B, is redeemable at par, except that certain premiums are applicable if refinanced through borrowings or sale of stock ranking equal or prior to preferred stock. Sinking-fund

payments are required from 1971 to 1975, inclusive, sufficient to redeem in each year 20% of the shares outstanding in 1971.

(3) The convertible subordinated debentures are convertible into common stock at \$32 per share. At July 28, 1962, 86,156 shares of common stock were reserved for such conversion.

(4) Of the authorized common stock, 92,630 shares are subject to issuance under the Corporation's Employee Stock Option Plan. The Plan provides for 10-year options exercisable in nine installments commencing 18 months from grant dates.

At July 28, 1962, there were outstanding options for 89,980 shares (which were exercisable to the extent of 23,480 shares) at 100% of market price on the grant dates (\$27.3125 to \$68.375 per share).

(5) At July 28, 1962, the Corporation held leases of more than three years, the rentals under which, for the year ending August 3, 1963, amount to \$9,662,000 plus, in certain instances, real-estate and personal-property taxes, other expenses, and additional amounts based on percentages of sales. The leases provide for varying lease periods, including renewal privileges, to 2059. Taxes incurred under the leases are included with other taxes in the statement of earnings.

Macy CREDIT CORP.

STATEMENT OF FINANCIAL CONDITION AS OF JULY 28, 1962

ASSETS

CURRENT ASSETS:

Cash	\$ 367,818
Customers' deferred payment accounts of R. H. Macy & Co., Inc., purchased without recourse, less estimated uncollectible amounts of \$862,036	85,341,526
Prepaid interest and expenses	288,550
Total current assets	<u>\$85,997,894</u>

UNAMORTIZED DEBT EXPENSE AND MISCELLANEOUS	252,667
	<u><u>\$86,250,561</u></u>

LIABILITIES

CURRENT LIABILITIES:

Notes payable	\$44,923,000
Portion of purchase price of customers' deferred payment accounts withheld pending collection, less allowance for estimated uncollectible amounts shown above	7,758,320
Accrued interest and other liabilities	377,384
Federal income taxes	330,000
Total current liabilities	<u>\$53,388,704</u>

LONG-TERM DEBT — 4¾% Debentures, due November 1, 1981	20,000,000
---	------------

DEFERRED INCOME — Unearned discount on deferred payment accounts	2,136,196
--	-----------

INVESTMENT OF STOCKHOLDER, represented by:

Capital stock, \$100 par value —	
Authorized 200,000 shares; issued and outstanding 100,000 shares	\$10,000,000
Net earnings for the period from September 15, 1961 (the date operations began) to July 28, 1962	<u>725,661</u>
Total investment of stockholder	<u>10,725,661</u>
	<u><u>\$86,250,561</u></u>

NOTE:

Under the 4¾% Debentures Indenture, the Corporation may not declare dividends or acquire its common stock if, after giving effect to such transactions, current assets (as defined) are not at least equal to 120% of total liabilities (as defined). At July 28, 1962, earnings were not restricted under these provisions.

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF

R. H. MACY & CO., INC.:

We have examined the consolidated statement of financial condition of R. H. Macy & Co., Inc. and consolidated subsidiaries as of July 28, 1962, and the related statement of earnings and earnings reinvested in the business for the fiscal year (52 weeks) then ended. We have also examined the statement of financial condition of Macy Credit Corp. as of July 28, 1962. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the consolidated financial position of R. H. Macy & Co., Inc. and consolidated subsidiaries at July 28, 1962, and the consolidated results of their operations for the fiscal year (52 weeks) then ended, as well as the financial position of Macy Credit Corp. at July 28, 1962, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year as reclassified.

TOUCHE, ROSS, BAILEY & SMART

New York, N. Y.

September 25, 1962

*To the Administrative Committee of the Retirement System
for Employees of R. H. Macy & Co., Inc. and Affiliates:*

We have examined the statement reflecting the net assets of the Retirement System for Employees of R. H. Macy & Co., Inc. and Affiliates as of July 31, 1962, and the changes therein for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Marketable securities held by The Chase Manhattan Bank, Trustee, were confirmed to us by the bank.

In our opinion, the statement presents fairly the net assets of the Retirement System for Employees of R. H. Macy & Co., Inc. and Affiliates at July 31, 1962, and the changes therein for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS, BAILEY & SMART

New York, N. Y., September 25, 1962

RETIREMENT SYSTEM FOR EMPLOYEES OF

R. H. Macy & Co., Inc.

AND AFFILIATES

STATEMENT OF NET ASSETS AS OF JULY 31, 1962
AND CHANGES THEREIN FOR THE YEAR THEN ENDED

ASSETS:	Pension Plan	Profit Sharing Plan	Total Retirement System
Marketable securities with The Chase Manhattan Bank, Trustee —			
U. S. Government and Government agency obligations . . .	\$ 4,163,527 ¹	\$ 6,340,359 ²	\$10,503,886
Corporate bonds	5,208,856 ¹	4,247,337 ²	9,456,193
R. H. Macy & Co., Inc., common stock	168,648 ¹	1,793,773 ²	1,962,421
Other corporate common stocks	5,233,021 ¹	10,971,909 ²	16,204,930
Investment in real properties, substantially at amortized cost ³ .	2,097,276	1,079,672	3,176,948
Cash	274,540	183,759	458,299
Income receivable	125,770	118,967	244,737
Total assets	<u>\$17,271,638</u>	<u>\$24,735,776</u>	<u>\$42,007,414</u>
LESS:			
Benefits payable	\$ —	\$ 1,357,374	\$ 1,357,374
Deferred rent income and accrued liabilities	67,683	5,809	73,492
	<u>\$ 67,683</u>	<u>\$ 1,363,183</u>	<u>\$ 1,430,866</u>
Net assets of the Retirement System, July 31, 1962	\$17,203,955	\$23,372,593	\$40,576,548
Net assets of the Retirement System, July 31, 1961	16,788,106	24,416,818	41,204,924
Increase or (decrease) in net assets for year ended July 31, 1962	<u>\$ 415,849</u>	<u>(\$ 1,044,225)</u>	<u>(\$ 628,376)</u>
The changes in net assets for the year resulted from:			
Payments by the Corporation	\$ —	\$ 1,978,408	\$ 1,978,408
Net return from investments	611,231 ⁴	1,676,747 ⁵	1,065,516
Benefits paid or payable	195,382	1,345,886	1,541,268
Increase or (decrease) in net assets	<u>\$ 415,849</u>	<u>(\$ 1,044,225)</u>	<u>(\$ 628,376)</u>

NOTES:

- (1) At the lower of amortized cost or market value (aggregate market value of all marketable securities of the Pension Plan, \$20,451,082).
- (2) At market value as required by the Plan.
- (3) One property is subject to a 3½% (3¾% after 1969) mortgage of \$2,754,000 due serially to 1978.
- (4) Including profits and losses realized on securities sold and unrealized losses on securities on hand.
- (5) Including realized and unrealized profits and losses on marketable securities.

Italics denote deductions.

R. H. Macy & Co., Inc.

TEN - YEAR

OPERATING RESULTS

	1962	1961	1960
Net retail sales	\$541,512,000	\$520,115,000	\$508,695,000
Index of sales (using year ended July, 1953, as base) . .	163	156	153
Earnings before Federal income taxes	\$ 20,073,000	\$ 19,191,000	\$ 18,171,000
Federal income taxes	10,280,000	9,850,000	9,450,000
Net earnings ¹	9,793,000	9,341,000	8,721,000

DISTRIBUTION OF EARNINGS

Cash dividends declared on —			
Preferred stock	\$ 1,078,000	\$ 1,078,000	\$ 1,078,000
Common stock	4,400,000	3,893,000	3,698,000
Earnings reinvested in the business	4,315,000	4,370,000	3,945,000

PER SHARE OF COMMON STOCK³

Taxes — Federal, state, and local	\$ 10.52	\$ 10.74	\$ 10.77
Net earnings after preferred dividends	4.26	4.25	4.14
Dividends	2.15	2.00	2.00
Working capital	36.20	43.87	47.11
Net worth — book value	50.25	49.20	47.67

FINANCIAL POSITION (at end of year)

Working capital ⁴	\$ 73,989,000	\$ 85,271,000	\$ 86,947,000
Ratio of current assets to current liabilities ⁴	2.3	2.7	2.9
Accounts receivable, customers — net	\$ 26,372,000	\$ 37,686,000	\$ 30,273,000
Merchandise inventories on Lifo basis	60,682,000	58,482,000	60,154,000
Property and equipment — net	112,035,000	90,530,000	82,944,000
Long-term debt	69,607,000	57,026,000	60,318,000
Investment of stockholders	128,668,000	121,579,000	113,936,000

RETIREMENT SYSTEM FOR EMPLOYEES

Pension and profit sharing costs	\$ 2,278,000	\$ 2,397,000	\$ 2,108,000
--	--------------	--------------	--------------

NOTES:

- (1) Includes, in 1956, capital profit of \$1,286,000 from sale of investment in General Teleradio, Inc. (California), after Federal income taxes applicable thereto.
- (2) Common dividend declared July 23, 1958, and paid October 1, 1958, of \$0.50 per share, amounting to \$861,000, included in 1959.
- (3) Calculation of per share amounts is based on average number of shares outstanding during the respective years.

AND CONSOLIDATED SUBSIDIARIES

REVIEW

YEAR ENDED APPROXIMATELY JULY 31						
1959	1958	1957	1956	1955	1954	1953
\$471,842,000	\$456,359,000	\$447,639,000	\$398,261,000	\$376,422,000	\$340,316,000	\$332,583,000
142	137	135	120	113	102	100
\$ 16,200,000	\$ 13,389,000	\$ 14,386,000	\$ 12,098,000	\$ 11,315,000	\$ 9,522,000	\$ 10,074,000
8,425,000	6,800,000	7,400,000	5,750,000	5,700,000	4,750,000	5,200,000
7,775,000	6,589,000	6,986,000	7,634,000	5,615,000	4,772,000	4,874,000
\$ 1,078,000	\$ 1,078,000	\$ 1,078,000	\$ 1,079,000	\$ 1,082,000	\$ 1,090,000	\$ 1,097,000
3,494,000 ²	3,439,000 ²	3,439,000	2,923,000	2,751,000	2,751,000	2,751,000
3,203,000 ²	2,072,000 ²	2,469,000	3,632,000	1,782,000	931,000	1,026,000
\$ 10.24	\$ 8.63	\$ 8.69	\$ 7.46	\$ 7.00	\$ 6.32	\$ 6.48
3.84	3.20	3.44	3.81	2.64	2.14	2.20
2.00 ²	2.00 ²	2.00	1.70	1.60	1.60	1.60
43.02	39.44	41.56	34.36	38.91	34.15	32.79
46.36	43.58	42.88	41.45	39.33	38.29	37.73
\$ 75,055,000	\$ 67,826,000	\$ 71,468,000	\$ 59,085,000	\$ 66,897,000	\$ 58,715,000	\$ 56,381,000
2.8	2.5	2.5	2.1	2.4	2.6	2.6
\$ 26,334,000	\$ 26,797,000	\$ 29,339,000	\$ 33,659,000	\$ 30,223,000	\$ 29,993,000	\$ 28,170,000
55,552,000	51,316,000	55,340,000	47,926,000	41,376,000	36,509,000	35,190,000
81,197,000	74,949,000	72,470,000	61,894,000	44,713,000	52,575,000	50,805,000
59,006,000	58,904,000	60,873,000	41,104,000	32,600,000	33,147,000	29,764,000
106,845,000	100,915,000	99,696,000	97,230,000	93,638,000	91,991,000	91,182,000
\$ 1,962,000	\$ 1,782,000	\$ 1,587,000	\$ 1,826,000	\$ 1,467,000	\$ 1,613,000	\$ 506,000

(4) After giving effect, in the years 1959 to 1961, inclusive, to the reclassification mentioned on the Consolidated Statement of Financial Condition. A corresponding reclassification for the years prior to 1959 has not been reflected since the effect on working capital and the ratio of current assets to current liabilities would not be significant.

DEPARTMENT STORE DIVISIONS

MACY'S NEW YORK Herald Square, Parkchester, Jamaica, Flatbush, White Plains,
Roosevelt Field, and Huntington

DIRECTORS

DAVID L. YUNICH President

SENIOR VICE PRESIDENTS

MURRAY GRAHAM Branch Stores and
Vice Chairman of the Executive Committee

JOHN A. BLUM Sales Promotion and
Public Relations

FREDERICK C. FISCHER Personnel

JACK HANSON Controller and Secretary

A. ALFRED LANDISI Merchandising

ROBERT I. LAUTER Merchandising

THOMAS F. O'NEIL Operations

PHILIP SVIGALS Merchandising

WHELOCK H. BINGHAM DONALD B. SMILEY
JACK I. STRAUS

BAMBERGER'S NEW JERSEY Newark, Morristown, Plainfield, Princeton, Paramus,
Menlo Park, Monmouth, and Cherry Hill (Camden)

DIRECTORS

ARTHUR L. MANCHEE . . . Chairman of the Board

HERBERT L. SEEGAL President

SENIOR VICE PRESIDENTS

K. WADE BENNETT Personnel

GEORGE M. BERSCH Branch Stores

EDWARD S. FINKELSTEIN Merchandising

CHARLES W. GARRISON Operations

GERALD GOLDSTEIN . . . Controller and Secretary

JOSEPH H. LIEBMAN Sales Promotion

SEYMOUR J. TEICH Merchandising

ORVILLE E. BEAL WILLIAM A. HUGHES

WHELOCK H. BINGHAM DONALD B. SMILEY

C. MALCOLM DAVIS JACK I. STRAUS

DAVISON-PAXON COMPANY Atlanta (two stores — Downtown and Lenox Square),
Augusta, Macon, Columbus, Athens, and
Sea Island, Georgia; Columbia, South Carolina

DIRECTORS

WALLACE W. DREYFOOS President

RALPH A. BECK Vice President for
Sales Promotion

HAROLD L. EBERSOLE Vice President for
Operations

EDWIN R. MICHAELS Vice President for
Branch Stores

MELVILLE A. SMILEY Vice President for
Personnel

HERMAN ROSENBLUM . . . Treasurer and Secretary

PHILIP H. ALSTON, JR.
WHELOCK H. BINGHAM
C. HOWARD CANDLER, JR.
DONALD B. SMILEY JACK I. STRAUS

THE LASALLE & KOCH COMPANY Toledo, Westgate (West Toledo), Bowling Green,
Tiffin, Sandusky, and Findlay, Ohio

DIRECTORS

MICHAEL YAMIN President	WHEELOCK H. BINGHAM	DONALD B. SMILEY
JOEL ESQUITH Treasurer and Secretary	JACK I. STRAUS	

MACY'S CALIFORNIA San Francisco, Richmond, San Rafael, Hillsdale (San Mateo),
Valley Fair (San Jose), Bay Fair (San Leandro), and Stanford (Palo Alto)

DIRECTORS

ERNEST L. MOLLOY President	G. LUTHER WEIBEL Vice President for Personnel	
JOHN J. EGAN . . . Vice President for Store Planning and Leased Departments	NICHOLAS B. OLEKSIW . . Treasurer and Secretary	
JOHN P. GARLING, JR. Vice President for Operations		
HAROLD F. HAENER Vice President for Sales Promotion	WHEELOCK H. BINGHAM	
JAMES M. LUNDY Vice President and General Merchandise Manager	GARRET McENERNEY II	DONALD B. SMILEY
	JACK I. STRAUS	

MACY'S MISSOURI-KANSAS Kansas City (two stores — Downtown and The Landing)
and Joplin, Missouri; Wichita and Mission, Kansas

DIRECTORS

THOMAS W. JOHNSTON President	ROBERT C. CASE Treasurer and Secretary	
PAUL C. COLE Vice President for Operations		
HARRY SILVERGLAT Vice President for Sales Promotion	WHEELOCK H. BINGHAM	DONALD B. SMILEY
MARK A. TROY Vice President and General Merchandise Manager	JACK I. STRAUS	

GARDEN STATE PLAZA CORPORATION

DIRECTORS

JACK I. STRAUS Chairman of the Board	FREDERICK G. ATKINSON	
EDWARD K. STRAUS President	WHEELOCK H. BINGHAM	
STURGIS E. CHADWICK Vice President	J. BUCKLEY BRYAN	DONALD B. SMILEY
MARVIN FENSTER Secretary	CHARLES A. CRONHEIM	DAVID L. YUNICH

★ *Macy's* TODAY

In the last decade significant progress has been made by R. H. Macy & Co., Inc.

Sales have increased from \$333 million to \$542 million.

Net earnings have increased from \$4.9 million to \$9.8 million.

Earnings per share have increased from \$2.20 to \$4.26.

During the same decade R. H. Macy & Co., Inc., has grown from a merchandising organization of 20 stores to one of 41 stores. It has increased its floor space by four million square feet. Within the last 18 months alone it has added more than a million square feet of floor space.

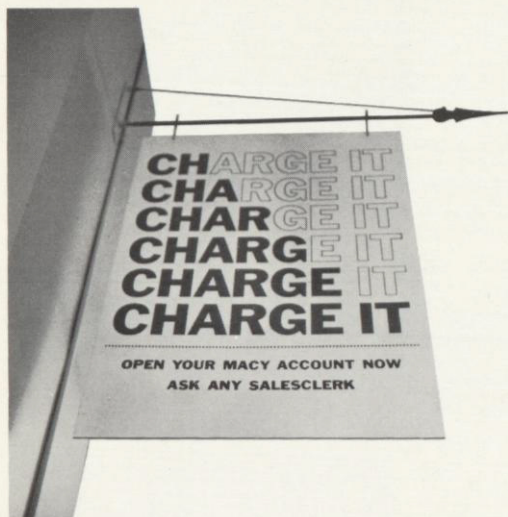
All of these figures reflect steady growth. They also reflect a vigorous adjustment of Macy's stores to a great variety of developments in U. S. markets and in retailing generally.

The following pages will help show how R. H. Macy & Co., Inc., serves its vast, ever changing, and growing markets in 1962 — 104 years after Macy's was founded.

Shopping Centers Of Macy's 41 stores, 14 are located in modern shopping centers in fast-growing suburban areas. Shown below is the shopping center at Menlo Park, in New Jersey, where Bamberger's has one of its stores.



Credit All Macy's stores offer the choice of buying for cash or on credit. About half of the customers choose the convenience of buying now and paying later.



Modern Suburbia Macy's has a very large and profitable stake in modern suburbia. Today approximately 35% of the Corporation's sales come from stores in suburban markets.

★ Macy's FUNDAMENTALS

Here are some of the reasons why Macy's has grown — and continues to grow.

Price Thrifty prices have been our tradition — and our reputation — from the start. Customers everywhere shop our stores confident that they will get good value and good quality for every dollar spent.

Wide Choice The most powerful appeal of the modern department store — at least equal to the appeal of price — is its large assortments, broad selection, many styles, all sizes. This is basic to our stores and particularly Macy's Herald Square, which has the world's largest assortments of just about everything.

Consumer Confidence Our standards are high, and customers know this. All Macy's-Own Brands are repeatedly tested by Macy's Bureau of Standards to ensure maintenance of quality and performance standards. We will not sell any merchandise that Macy's Bureau of Standards considers inadequate in performance, badly made, or potentially dangerous.

We refuse to make claims we cannot prove, and we are quick to refund if there is any dissatisfaction.

Leadership Macy's has pioneered in the past and will continue to pioneer new ideas, new merchandise, new ways of serving customers. We know our markets, know what our customers want — and, if it doesn't exist, we create it.

Flexibility We change as our markets change. When customers move to the suburbs, we move with them. When they want self-service, we add self-service. When they watch television, we use television as an advertising medium. We take advantage of electronic and mechanical developments — from computers to new ways of packing merchandise. Our stores today are not the same stores they were yesterday — nor the stores they will be tomorrow.

Dominance Our objective, in every market area, is to be the customer's first choice, the customer's preferred store when shopping. Everything we do — our pricing and merchandising policies, our expansion, our pioneering — is done with this in mind.



Night Shopping All Macy's stores stay open at least one night each week for the convenience of customers. More than half of the stores stay open three or more nights a week. Some stay open every weekday night and regularly operate two sales and service shifts.



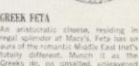
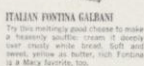
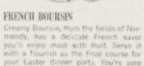
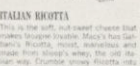
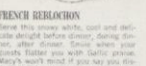
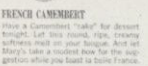
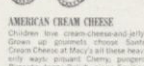
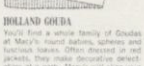
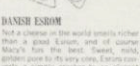
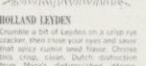
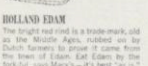
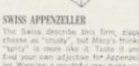
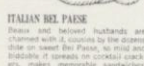
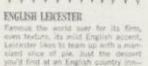
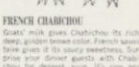
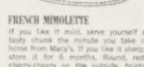
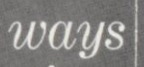
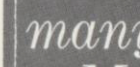
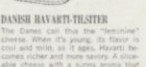
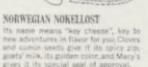
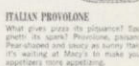
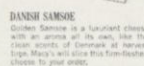
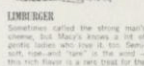
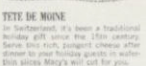
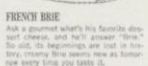
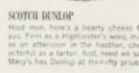
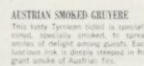
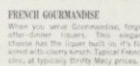
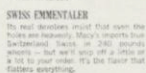
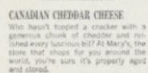
Self-Service This is a convenience widely available in Macy's stores — in such departments as drugs, books, toys, hardware, records, garden supplies, and groceries.

Specialty Shops Here, for example, a whole shop is devoted to the special problems of tall girls.



LONDON ★ PARIS
BELFAST ★ FLORENCE
FRANKFURT ★ BRUSSELS
ZURICH ★ OSAKA ★ HONG KONG

Assortments Millions of people are drawn to Macy's stores by wide choice — many items, colors, many styles, many sizes, many price ranges.



See how
many ways
Macy's
can say
Cheese

Macy's has **MORE** *of just about*

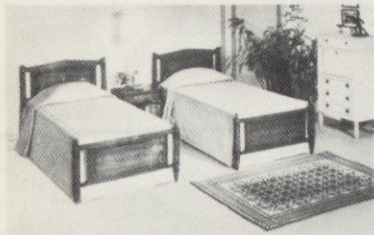
Hand-embroidered satin gyle. 14.90

Sales Help Macy's 41 stores provide thousands of trained and experienced salespeople to help customers make well-informed choices and enhance the satisfaction of shopping.



Services Macy's stores draw large numbers of customers because of the services they perform. Service is a strong competitive weapon in the modern, well-run department store.





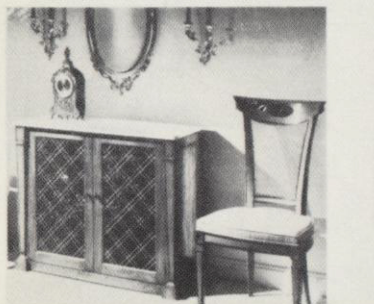
Palazzo is serenity... a bedroom in fruitwood finish by Drexel with panel beds, \$119 each, with beige bedspreads by Bloomcraft, in the single size at \$7.95 each.



Palazzo is the gleam of crystal and china. Rimini Rose imported Swiss tamara chaise \$7.95; 17.50; Anthemion imported china, \$9.95 for a 17-piece set; Regency crystal from Italy: shown here the goblet, 2.98, wine, 2.98 each.



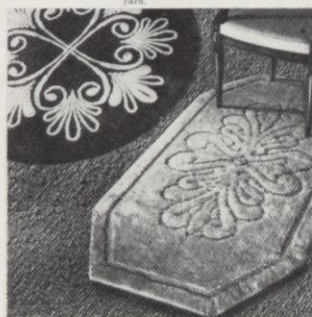
Palazzo is pretty sheets and blankets in romantic Regency designs and color. Medallion by Fieldcrest, 81x108" sheet, 4.98; matching pillowcase, 1.29; 72x90" matching blanket, 18.95. Harmonique 72x90" blanket in subtle Palazzo colors, 16.95.



Palazzo is the importance of detail... the gridded doors of the cupboard by Drexel, \$169... the cane back of the chair, 49.95... the carving of the Syrene mirror, 44.95, and vase, 19.95 a pair.



Palazzo is window drama. Adriana draperies from 14.29 the pair by Bloomcraft; Regency sheet curtains by Kenloch, from 4.99 a pair.



Palazzo is luxury underfoot. Salerno nylon pair broadloom, 10.95 a square yard, underscores the beauty of Anthemion and Medallion motif rugs, from 3.95 each. All created by Calico Crafts.

Now you can buy one piece of Palazzo or furnish your home with Palazzo... on the kind of account you've always wanted at Macy's... the Macy Shopping Account. If you don't already have one, open yours with Palazzo.

Macy's
IT'S SMART TO BE THIRSTY



Palazzo is a center of interest. Drexel's magnificent classic buffet in Palazzo White. Buffet desk, \$299; hutch with four glass doors, \$290.



Palazzo is gracious dining. Round pedestal table with extension leaf, \$199, shown with the cane-backed host chair, 74.95, hostess chair, 69.95. All in Palazzo white, also available in fruitwood finish. All created for Palazzo by Drexel.



Palazzo is magnificent sterling silver... Gorham's Vals pattern designed for Palazzo in 6-piece place setting \$27.75 (including Federal Tax).



Palazzo is an occasional table... richly grained, gracefully styled, Drexel's lamp table in a fruitwood finish, 22" diameter, \$9.95.



Palazzo is a brilliant accessory. Anthemion motif on a square platter, 1.99; oblong dish, 6.95; tall ice bucket, 29.95; ashtray, 5.45. All by Bristol.



Palazzo is the warm glow of lamp-light. Here, Regency Font, 36" tall, unique brass finish with crystal and silk shade, 49.95, created by Tyndale.



Palazzo is a gala table setting with Vera's colorful Anthemion pattern place mats, 4.98 the set of 8, making a fitting background of classic elegance for Royal China's Greek Key motif dinnerware, the 16-piece set, \$24.



Palazzo is elegance for the bath. Fieldcrest Medallion motif towels, bath and 2.98. Shower curtain, 10.98. Calico Craft's Anthemion pattern bath rug, 20x34", 4.19. Anthemion also on the hanger, 5.99; and waste basket, 2.79, by Hansburg.



Palazzo is elegant living. In a Regency inspired drawing room, Drexel's graceful cane arm sofa, \$875, and flanking chair, each 119.95, set the scene for conversation. The tall pedimented breakfront, shown in Palazzo White, \$299.



LUOUS DINING In a Drexel's elegant cherry offer, \$319; china base, \$259; arm chair, 4.95; cane back hutch.

VERSATILE TABLE one will be handily

ARMING BEDROOM glis. Scroll headboard, 49.95; night

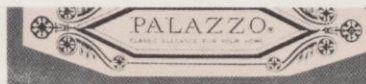
PAIR OF STATELY to home your treasured thin rug reach, \$219

ACEFULLY SHAPED piece in any room, stop

AMPLE CHEST ON size space and bathroom is graceful piece, \$229.

which your entire home with a always wanted at Macy's... just sign for it and it's yours.

A touch of Palazzo is a touch of Spring

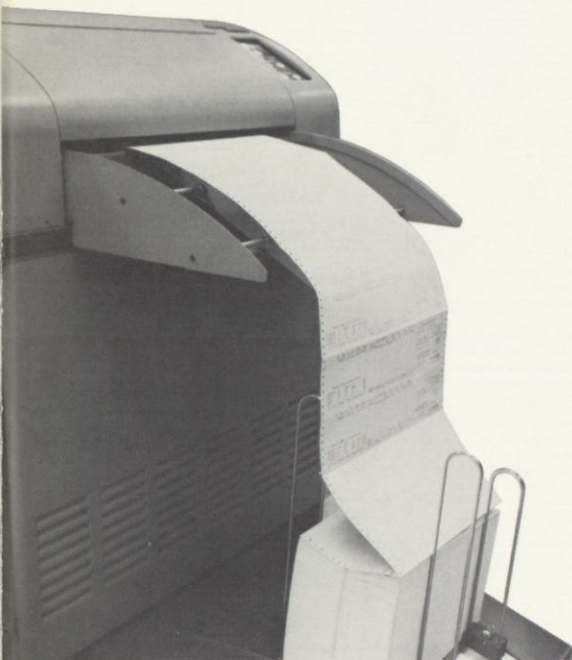


Macy's

Creative Merchandising Macy's constantly creates new and original merchandise. A recent successful example: Palazzo, a complete home-furnishings and decorating line, developed by Macy's Design Studios and made by America's finest manufacturers.



Self-Selection Modern retailing emphasizes greater exposure of more merchandise to direct inspection by the customer. Customers like self-selection. They save time — and so do the stores.



Price Competition

Macy's stores have been built and continue to be operated on a widely known policy of competitive pricing.

Computer Billing Macy's New York, because of its huge volume, was the first Macy's division to adopt computer billing, and it was one of the first in this country. The computer handles 900,000 customers' accounts faster and more accurately than previous methods.

MAKE CHECKS PAYABLE TO AND MAIL TO

Macy's
BANK

Harold Square, New York 1, N.Y.

F - Flatbush
H - Herald Square
J - Jamaica
P - Parkchester
T - Huntington
R - Roosevelt Field
W - White Plains

If you have a question about merchandise (delivery, return, color, price, etc.) call LACKAWANNA 4-6000.

If you have any other questions about your account call OXFORD 5-8500.

Payment due - at least 1/5 of current balance, (not less than \$10)
—service charge will be added next month.

Or if you prefer, pay the entire current balance
—no service charge if payment is received before
SEP 21

MACY SHOPPING ACCOUNT
950 00 000

MRS MACY CUSTOMER
151 WEST 34TH ST
NEW YORK N Y

IF ADDRESS SHOWN IS WRONG PLEASE CORRECT.

KINDLY SHOW YOUR ACCOUNT NUMBER ON FACE OF CHECK OR MONEY ORDER.

AMOUNT ENCLOSED	
Dollars	Cents

IF YOU HAVE ANY QUESTION ABOUT YOUR BILL, PLEASE SPECIFY DATE AND REFERENCE NUMBER OF ITEM—MACY'S

DATE	REFERENCE NUMBER	DEPT. NO.	TRANSACTION DESCRIPTION	AMOUNT OF PURCHASES	PAYMENTS RETURNING AND OTHER CREDITS
AUG 1	H 01 0622	964	WOMENS SHOES	5.14	
AUG 9	H 01 0355	121	JR. SPORTSWEAR	5.13	
AUG 9	H 01 0356	133	JR. DEB SHOP	6.17	
AUG 16	H 01 0575	38	SPORTING GOODS*	5.41	
AUG 17	H 01 0538	155	SLIP, PETTICOATS	7.19	
AUG 17	66 3121		PAYMENT		59.65
AUG 18	H 02 0212	416	SUMMER FURNITURE	72.05	
AUG 18	H 02 0421	11	HOUSEWARES*	14.30	

* SEE DETAILED DESCRIPTION ON REVERSE SIDE

PREVIOUS BALANCE	PLUS: TOTAL PURCHASES	LESS: TOTAL CREDITS	PLUS: SERVICE CHARGE	CURRENT BALANCE	AS OF
59.65	115.39	59.65	.00	115.39	AUG 21 '62

Shop-at-Home Thousands of customers of Macy's stores buy home furnishings — slipcovers, draperies, rugs, and a variety of other items — at home, where they can see the merchandise in place.



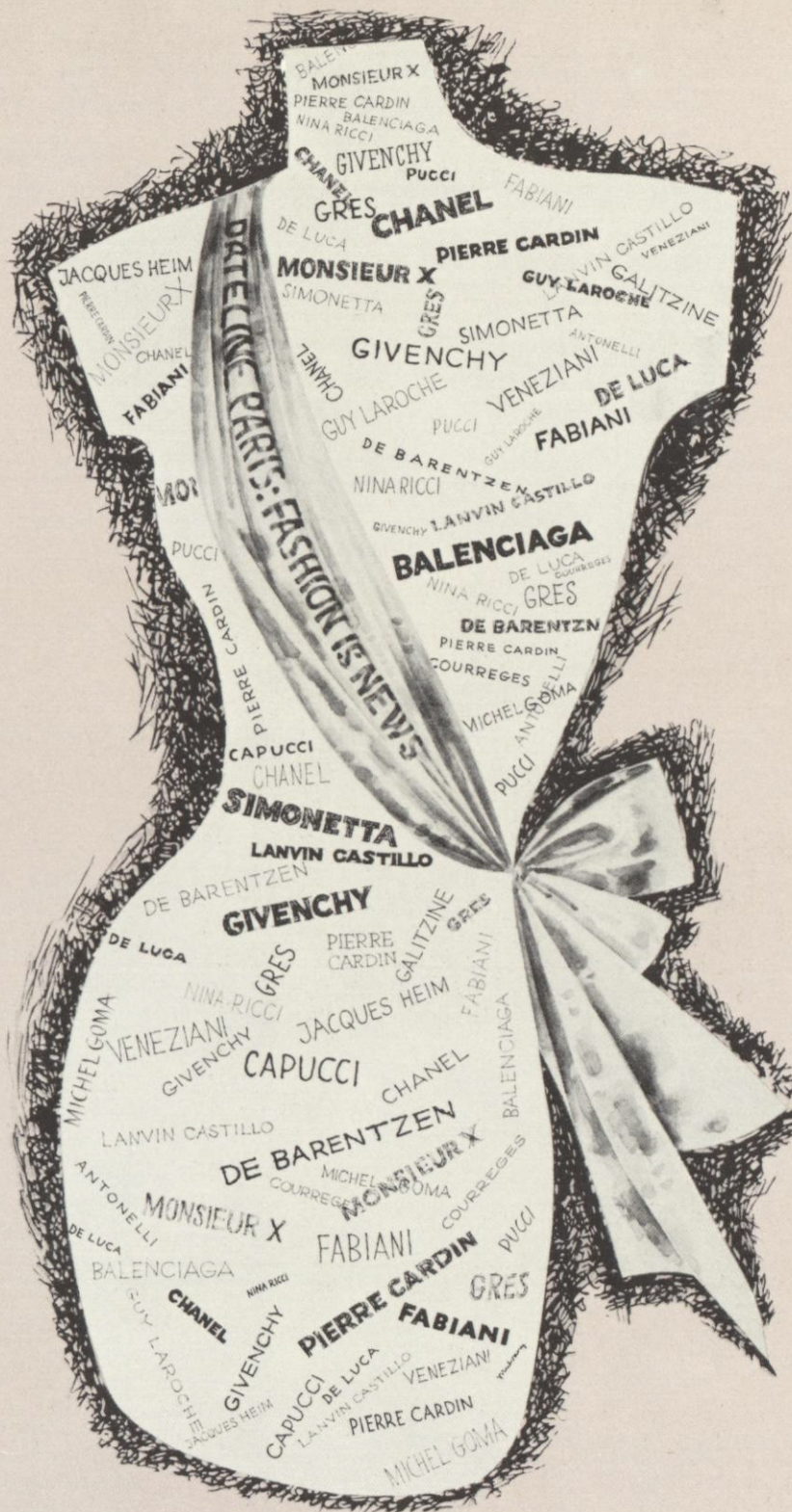
"Dear Macy's" The 41 stores of the Corporation do a substantial mail- and telephone-order business. Orders come even from the far corners of the world.

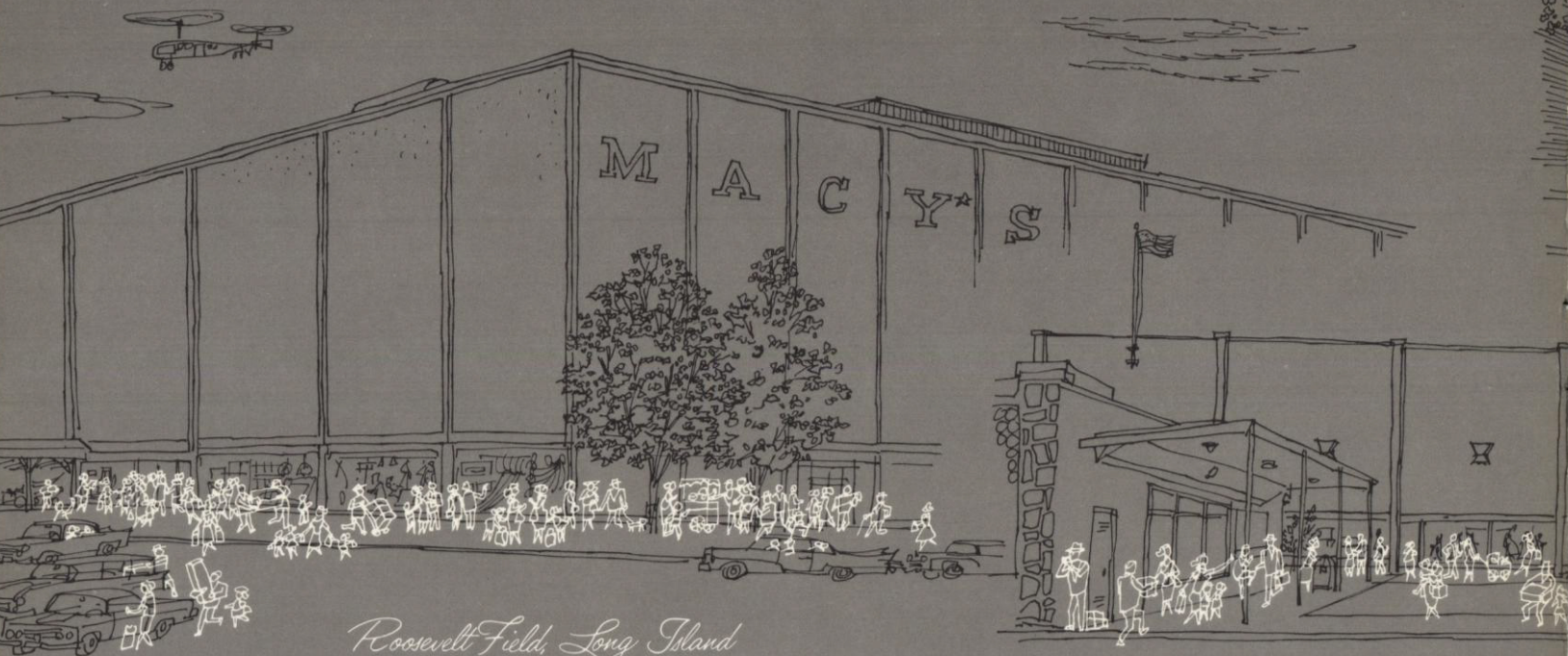


"Such stuff as dreams are made on . . ."

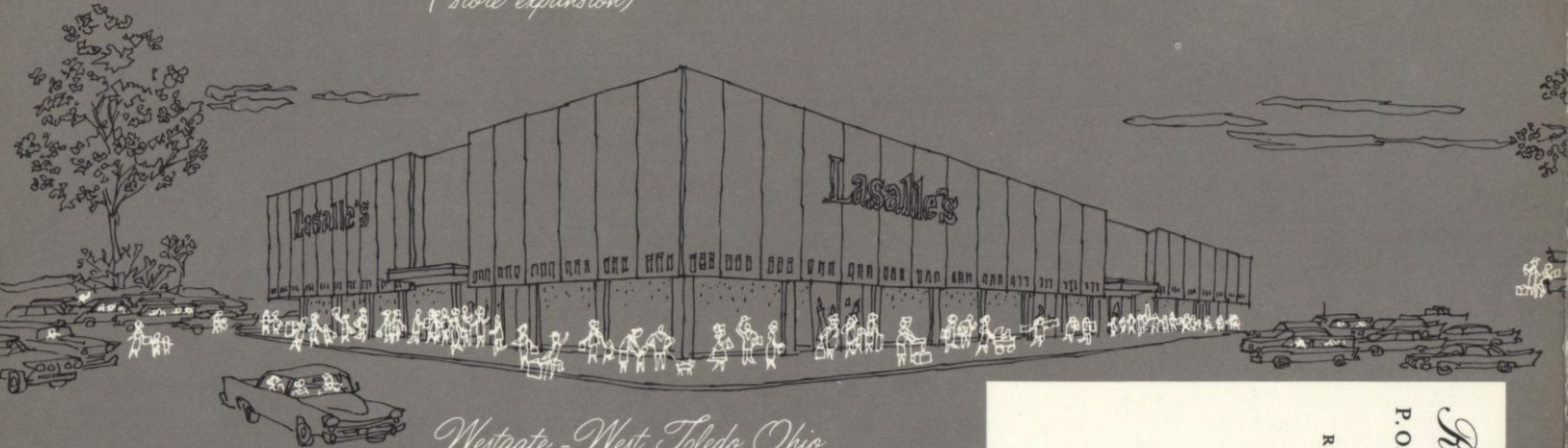
When this little girl is old enough to choose her own bridal gown and the furnishings for her someday home, everything will be ready and waiting for her at Macy's in exciting abundance.

Macy's buyers bring back with them from the fashion openings in Paris couture originals which are then faithfully translated into line-for-line copies. These are shown to eager audiences both in live fashion shows and on Macy's television show, "Fashion is News," now an important semiannual event in the New York area.

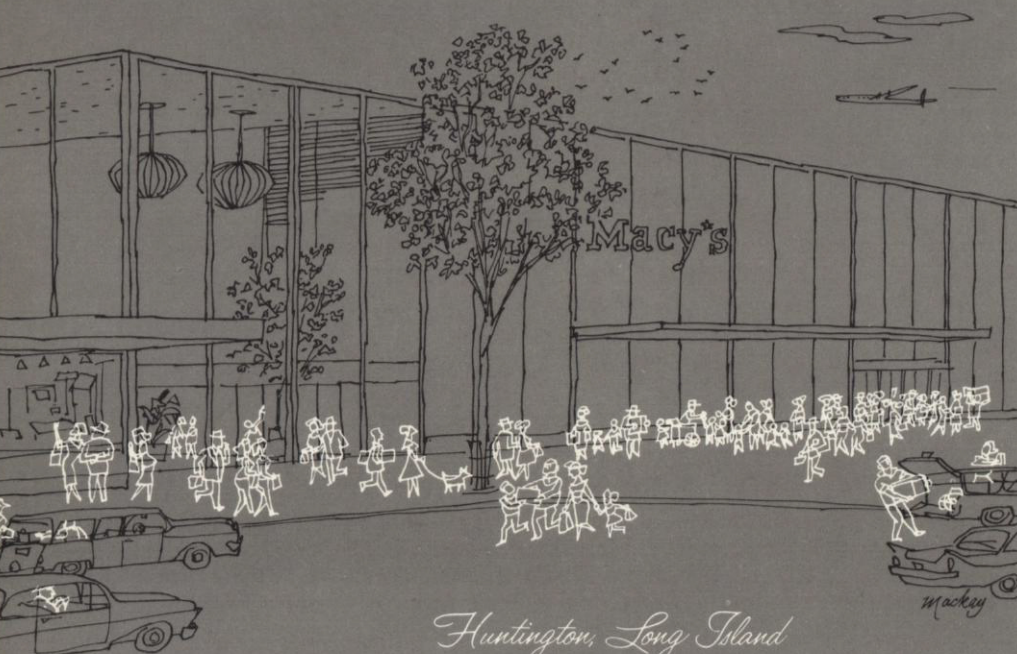




*Roosevelt Field, Long Island
(store expansion)*



Westgate - West Toledo, Ohio



Huntington, Long Island

R. H. Macy & Co., Inc.
P. O. Box 1826 Grand Central Station
New York 17, N. Y.
RETURN POSTAGE GUARANTEED